

Q and A for the RFP for PACT Banking Custodial Services

1. Why is Alabama undertaking this review?

A: The current contract with BNYMellon is expiring.

2. Are there areas/processes you wish to change/improve?

A: The PACT Trust Fund's assets will most likely deplete over the next five years and the number of managers will also decrease. The scope of services for this term will be reduced significantly from the current level.

3. Is accounting provided on a monthly basis?

A: Yes

4. Are you changing administrators for PACT?

A: No – PACT is a prepaid college tuition program with Treasury staff providing the administration of the program. The Custodian interacts with the Investment Consultant and the PACT Accountant.

5. Securities Lending

A: There were many questions about Securities Lending. The Securities Lending program is currently being eliminated because of the change in cash flow needs and anticipated change in asset allocation.

6. Will PACT potentially require an in-kind transfer of collateral pools?

A: PACT currently has four investment managers and a cash account.

7. Are the mutual funds combined under one account or are they in their own separate account?

A: PACT has four active managers who each have an account and there is also a cash account.

8. Who is the Investment Consultant?

A: Callan Associates – Annoesjka West is the consultant on the PACT account.

9. What is the expected decision date and then transition date?

A: The decision date is August 26 and transition is expected to be October 1.

10. Please provide a detailed listing of your assets, including industry CUSIP/SEDOL, quantity, price and market value in Excel.

A: Listing is a separate Excel document.